

Title 20--DEPARTMENT OF INSURANCE, FINANCIAL INSTITUTIONS
AND PROFESSIONAL REGISTRATION
Division 500--Property and Casualty
Chapter 7—Title

PROPOSED RULE

20 CSR 500-7.070 Affiliated Business Arrangements.

PURPOSE: This regulation prescribes requirements for disclosure to customers and reporting to the director of affiliated business arrangements.

(1) Disclosure to Customer.

(A) It is unlawful for a title insurer, title agency or title agent to accept an order for title services from any producer with an affiliated business arrangement, unless contemporaneous with the referral, the title insurer, title agency or title agent discloses the affiliated business arrangement or has taken reasonable steps to verify that the producer has disclosed the arrangement. Disclosure to its customer of the existence of the affiliated business arrangement may be made by using the Affiliated Business Disclosure form (Form T-4), or any form that substantially comports with the specified form.

(B) The disclosure required by this rule may be made in combination with all disclosures made under Rule 20 CSR 500-7.050.

(2) Annual Report.

(A) Title insurers, agencies and agents are required under section 381.029.4, RSMo, to file reports with the director setting forth the names and addresses of any persons with a financial interest in the insurer, agency or agent, which the insurer, agency or agent knows to be producers or associates of producers. The report shall be made annually by submitting a completed Affiliated Business Arrangement Report form (Form T-5), or any form that substantially comports with the specified form, no later than March 31 of each year.

(B) Title insurers, agencies and agents shall have a continuing duty to update the information supplied pursuant to Form T-5 within thirty (30) days of any material change in the information required on the form.

AUTHORITY: sections 374.045, 381.029.3, and 381.042, RSMo.

PUBLIC COST: This proposed amendment will not cost state agencies or political subdivisions more than five hundred dollars (\$500.00) in the aggregate.

PRIVATE COST: This proposed amendment will not cost private entities more than five hundred dollars (\$500.00) in the aggregate.

NOTICE OF PUBLIC HEARING AND NOTICE TO SUBMIT COMMENTS: A public hearing will be held on this proposed amendment at 10:00 a.m. on February 26, 2008. The public hearing will be held at the Harry S. Truman State Office Building, 301 West

High Street, Room 530, Jefferson City, MO. Opportunities to be heard at the hearing shall be afforded to any interested person. Interested persons, whether or not heard, may submit a written statement in support or in opposition to the proposed amendment, until 5:00 p.m. on February 26, 2008. Written statements shall be sent to Tamara Kopp, Department of Insurance, Financial Institutions and Professional Registration, P.O. Box 690, Jefferson City, MO 65102.

SPECIAL NEEDS: If you have any special needs addressed by the Americans with Disabilities Act, please notify us at (573) 751-6798 or (573) 751-2619 at least five working days prior to the hearing.